

April 17, 2006

Kevin Martin, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WT Docket No. 005-211 (AWS DE Rules)

Dear Chairman Martin,

We write you to address the vitally important matter of bid credits for designated entities (“DEs”).

For the reasons provided below, we support the changes proposed by the Commission in the Further Notice of Proposed Rulemaking (“Further Notice”) in the reference proceeding, and strongly oppose the radical change now being considered informally that would eliminate DE status to entities who have a material relationship with any investor having revenues exceeding \$125 million.

Adoption of the contemplated \$125 million threshold proposal is both unnecessary and counterproductive to the entire DE program. The good and valid concern that sparked the Commission’s Further Notice was the continuing trend of nationwide carriers extending their influence over DEs. The remedy included in the Further Notice fully addresses that concern. While it limits somewhat the investment opportunities available for DEs, it increases opportunities for new entrants and continues to provide a useful role for mid-size carriers. The \$5 billion threshold established in the Further Notice strikes the proper balance.

The \$125 million revenue cap that is reportedly being considered would provide no further protection to the Commission’s concerns and would be the death-knell to any vibrant DE program. In order to be successful in spectrum auctions, and in the wireless industry that has become very concentrated, DEs need access to capital more now than ever. The reality is that such investment is not often available absent certain of the material relationships that would cause the investor revenue caps to apply. Thus, the unintended result of adoption of the more radical revenue cap would be to limit competition (and revenues) in the auction and to reduce new entrances, and hence the associated benefits of increased service offerings and reductions in pricing, in the wireless industry generally.

We have been involved in wireless since the inception of auctions (and long before, under other licensing programs). We know, and have proven, that DEs can and do contribute substantially to the wireless industry when given a chance. Over the years, as the industry has consolidated, the need for the “new blood” that DEs bring to the industry has increased. At the same time, many of the benefits initially available to DEs (including closed bidding and

installment payment opportunities) have been terminated. It is in this context that it would be particularly inappropriate to now close-off another opportunity for DEs to compete.

At the risk of belaboring the obvious, it would appear helpful to comment briefly upon how the DE program helps consumers. We are a small, Mississippi based company whose principals have focused on serving rural and semi-rural communities. We can offer, and have offered, to such communities service availability and options that simply are not available from much larger carriers. Those carriers naturally focus on the more lucrative larger markets, and virtually always address small market need on an as-resources-permit basis, and without any particular knowledge of local market needs. As a result, we stress that a vibrant DE program serves the public interest first, and only incidentally assists those who participate in it. All of this is as Congress understood it would be when it called for the Commission to establish a meaningful DE program as the *sine quo non* of its authority to conduct spectrum auctions.

Thank you for your consideration of this very important matter. Please feel free to contact me directly, at (601) 594-8014, should you have any questions.

Very truly yours,

/s/

William M. Mounger, II
President and CEO
Continuum, LLC

cc: The Honorable Jonathan S. Adelstein
The Honorable Michael J. Copps
The Honorable Deborah Taylor Tate
Fred Campbell, Esq.
Barry Ohlson, Esq.
Aaron Goldberger, Esq.